

FINANCE-CURRENCY.

SPEECH

OF

HON. MOSES W. FIELD,
OF MICHIGAN,

IN THE

HOUSE OF REPRESENTATIVES,

APRIL 8, 1874.

"The credit of the nation possesses intrinsic value as well as any metal, and it represents labor as well as gold, because it is issued in exchange for labor. *Something* must be employed for a circulating-medium, and why not use the national credit for the purpose? Gold is out of the question, for we have not got it. Greenbacks have worked well, and they are exceedingly popular. I prefer these Government bills to bank-bills; public credit to private credit."

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The House having under consideration the bill (H. R. No. 1572) entitled "An act to amend the several acts providing a national currency and to establish free banking, and for other purposes"—

Mr. FIELD said:

Mr. SPEAKER: I desire to call the attention of the House to a memorial of the citizens of Detroit presented a few days ago by my colleague, [Mr. WALDRON.] In presenting the memorial my colleague said:

I ask consent to present a memorial from the citizens of Detroit on the subject of the currency, and I take occasion to state that it is signed by nine-tenths of the merchants, manufacturers, produce dealers, railroad managers, and vessel-owners of that city; in fact every branch of commercial and business industry is represented in it. The memorial is the expression of nine-tenths of the active business men of the city of Detroit, and I believe I am justified in saying that it expresses, in the same proportion, the business sentiment of the State of Michigan. I ask for the reading of the memorial.

The memorial was read, as follows:

"To the House of Representatives of the United States:

"We, the undersigned, citizens of Detroit, Michigan, respectfully represent to your honorable body that we are opposed to any inflation of the currency, and are in favor of a return to specie payments at the earliest practicable moment."

This statement surprised me, for 90 per cent. is nearly the whole part, and I did not think any one hundred and forty-eight men could be selected wealthy enough and great enough to represent 90 per cent. of the entire business interests of that great city. Having resided in Detroit for many years, I am tolerably well acquainted with the gentlemen who signed the memorial, and can form a fair opinion as to their representative character; but desiring to be as accurate as possible, I have obtained other information with the view to ascertain whether the representations of my colleague were true. There are 148 signatures to the memorial, consisting of 16 bankers, 13 lawyers, 55 persons of unknown or no special business, and 64 business men and firms; and I find, instead of bearing the signatures of "nine-tenths of the merchants, manufacturers, produce dealers, railroad managers, and vessel-owners of that city," it did not in fact contain even one-tenth part of that numerous class of people, nor did it express the sentiment of one-tenth of "the active business men of Detroit" on the currency question. I feel it to be a duty, therefore, to correct the statement, particularly as I have since that time received and presented to the House a petition of the citizens and business men of Detroit in favor of an increase of the currency, and which I believe represents the true sentiment of a large majority of the people of my district upon this question.

My colleague not being a resident of Detroit, but residing in the

village of Hillsdale, about one hundred miles distant, was doubtless imposed upon. It is not at all likely that he is acquainted with all the parties, nor with "every branch of commercial and business industry" in that city, and under such circumstances my colleague was easily deceived, and no doubt unwittingly made the exaggerated statement to which I have referred.

I do not make this correction with any intention to impugn the motives of the gentleman nor to intimate that there was any intention to misrepresent or overstate the importance and weight of the memorial. I have no doubt his statement was made on the representations of his Detroit correspondent. So much for that memorial, and with reference to others of the same character presented her⁶ from New York, Boston, and other cities, I have to say that if they are all as much exaggerated and overestimated as this to which I have referred, I warn members against being unduly influenced by them.

Mr. Speaker, in this debate we have heard it many times stated that our greenbacks are depreciated and that they are below par. The gentleman from Connecticut [Mr. HAWLEY] stated the other day that greenbacks were 12 per cent. below par. Now I wish to controvert and deny such statements; for they are not true. I admit that gold bears a premium and fluctuates with the price of foreign exchange in the market; but I deny that greenbacks are below par, for the simple reason that they are the lawful money of the country, and therefore must be at par. If it be true that greenbacks to-day are 12 per cent. below par, then, on the same theory, when gold coin was at 50 per cent. premium our greenbacks were 50 per cent. below par; when gold was 100 per cent. premium these greenbacks were worth nothing—a dollar of lawful money would not buy even a wooden nutmeg. According to this mode of estimating the value of greenbacks, when gold was 150 per cent. premium, the poor man, having ten dollars of good greenbacks in his pocket, would have to pay five dollars to have them taken off his hands.

I have received a letter on the currency question from a gentleman of large business experience, and whose views upon this subject will have great influence in this House and throughout the country, and I send it to the Clerk's desk to be read.

The Clerk read as follows:

WASHINGTON, March 24, 1874.

DEAR SIR: As recorded in the CONGRESSIONAL RECORD, in a debate one day last week, an honorable Senator inquired of another honorable Senator why greenbacks were 12 per cent. below par, and after repeating the question several times, he said the answers were not satisfactory.

This reminds me of an anecdote. Hon. Samuel L. Mitchell, of New York, a learned medical professor, was accustomed to ask his students to propound any question they might select, when one of them asked why there was always one black sheep in every flock. The learned professor immediately commenced giving what appeared to him as scientific reasons for the fact, but which did not appear to satisfy the students if they did himself. At the close of the lecture one of the students inquired if it was a fact that there was always one black sheep in every flock. It appeared that this idea had not occurred to the learned professor; but, to be sure, he immediately wrote to a number of farmers, making the inquiry, to which they all replied that it was not the fact at all.

If the learned professors who have been lecturing on political economy, in both Houses of Congress, on the assumption that greenbacks were below par, should inquire of practical business men if it was the fact, they would receive the same answer, and perhaps receive the additional information that 12 per cent. difference between greenbacks and gold is easy to calculate; but when, as in 1863, the difference was 100 per cent., and there being but a hundred cents in the greenback dollar, the whole dollar must have been wiped out, and, as in 1864, when there was

150 per cent. difference, the greenback must have been worth just fifty cents less than nothing, perhaps they might then inquire, when a dollar greenback was offered in payment for an article valued at fifty cents, and the greenback worth fifty cents less than nothing how the learned professors would make change.

Perhaps the same business men might also furnish the information that during the whole time the professors consider the greenbacks so worthless they, the business men, the merchants, the mechanics, the manufacturers, the farmers, all believed they were enjoying a higher state of prosperity than ever before known.

You will remember that soon after the act of February 25, 1862, making United States notes a legal tender, Secretary Chase proclaimed to the world that by that act gold was demonetized—was no longer money, but was a commodity, an article of merchandise; consequently, that law made legal-tender greenbacks, as far as law could make them, the measure of value, the monetary par.

Thus, gold being merchandise, its price can no more be the par and standard of value than the price of flour, the price of cotton, or the price of tobacco can be the monetary par and measure of value.

That greenbacks are the measure of value was again legally recognized by the law authorizing the issue of national-bank notes, redeemable in the aforesaid greenbacks; thus, beyond peradventure establishing them as the measure of value. Then, does it not follow that the 12 per cent. difference is so much premium on gold? And if so, should not the question be reversed, and ask why is gold 12 per cent. above par? To which I would reply that it was made so by the act of Congress.

You will remember that the bill passed the House of Representatives making the national credit or United States notes a legal tender for all purposes whatever, without exception. Pardon the expression of opinion that, had that bill become a law, it would have been practically impossible for gold ever to have risen above the par of greenbacks, for the reason that all the gold in the country would have been on the market without buyers, and the prosperity of our people at the present time would have surpassed any period in our history. But the gold monopolists and Shylocks of Wall Street took the alarm, and saw if that bill passed their vocation was gone, and came down upon Secretary Chase in such force and annoyed him with such persistency as, he said, "almost worried his life out," until he consented, and called upon Mr. Fessenden, chairman of the Committee on Finance in the Senate, having the bill in charge, and induced him to modify it by excepting that the interest on the bonds authorized to be issued by the same act should be paid in coin; and, to procure the coin, prohibited the receipt of said legal-tender money and required that gold only should be received for duties on imports.

To that extent Congress repudiated its own legal-tender money in the very act creating it.

Requiring all importing merchants to purchase coin to pay the duties, at such prices as the gold rings might think best to ask, I firmly believe is the principal if not the only cause of the premium on coin ever since.

Again, those favoring contraction and immediate resumption of specie payments argue that the greenback currency must be contracted still further to bring gold and currency on a par.

Is it possible that they do not know the fact, or do they shut their eyes to it, that the experience of the last ten years has exploded that theory?

Mr. McCulloch contracted the currency, as he proclaimed, solely for the purpose of raising greenbacks to the par of gold, and failed, as follows:

It appears from official returns that on December 31, 1866, the amount of currency was \$1,591,787,780; June 30, 1869, it was reduced to \$692,087,532, from which it appears that two-thirds of the currency had been called in; consequently, were his theory correct, the difference between gold and greenbacks should have been reduced two-thirds, when, lo! it stood 2 per cent. higher, namely: December 31, 1866, the premium was 34 per cent.; June 30, 1869, the premium was 36 per cent.

Again, as evidence that the quantity of currency does not affect the price of gold, it appears by the same returns that on June 30, 1864, the amount of currency was \$766,332,835; December 31, 1866, the amount as aforesaid was \$1,571,787,780; just double. How stands the premium?

June 30, 1864, it stood at 158 per cent. above greenbacks; December 31, 1866, it stood at 34 per cent. above greenbacks.

Were his theory correct, it would have been 316 per cent. above greenbacks, when, as above, it was only 34 per cent. Can proof be more positive?

Again, Mr. McCulloch began contraction by funding fifty millions of greenbacks in one week, causing a stringency in the money market; but the price of gold stood unmoved. Many more comparisons of the same character could be given; but do not these facts prove positively that since coin was demonetized the amount of currency has not affected the price of gold any more than it has the price of cotton, tobacco, flour, or any other commodity depending for its price on a foreign market?

If the foregoing conclusions are correct, it does not follow that all the arguments

of the contractionists and immediate resumptionists are without foundation and mere fallacies!

In conclusion I would say that should Congress adopt the interconvertible principle, and let us be permitted to exchange at pleasure the currency, both greenbacks and national bank notes, into convertible bonds, bearing a moderate rate of interest, the people will, in a brief space of time buy of the Treasury Department a sufficient amount of such bonds to enable the Secretary to purchase and cancel the whole foreign bond indebtedness, and thus not only reduce the rate of interest, but stop the drain of coin that goes as a tribute to enrich foreign nations and to impoverish our own.

Adopt the interconvertible principle, and I firmly believe it will act like magic in infusing new life, energy, and activity into the prostrate industries of our people; give employment to the suffering millions, start the springs of legitimate enterprise, and increase the products of labor to such an extent that our exports will soon exceed our imports, and pay off all foreign indebtedness, when the untold millions of gold we have sent to foreign nations will return to enrich our own.

Most respectfully, yours,

PLINY FREEMAN.

HON. MOSES W. FIELD,

House of Representatives, Washington.

Mr. FIELD. Now, Mr. Speaker, owing to the abnormal condition of our trade with Europe gold is required for shipment to settle foreign balances. This, together with the demand to settle duties on importations, is the cause of the premium on gold; and if Congress should authorize greenbacks to be received at our custom-houses in payment of duties—a policy I am in favor of—I think the premium on gold would fall so that it would approximate in value to greenbacks. A good many gentlemen who have spoken here in favor of a speedy return to coin payments do not appear to comprehend the subject. Over one hundred acts of the British Parliament are recorded to fix and regulate the price of wheat, yet the price of wheat in the English market continued as “unstable as water,” and the acts of Parliament remain upon the statutes dead letters and useless records of impracticable legislation; and so it will be repeated in this country should Congress attempt *by law* to regulate or reduce the price of gold coin in the open market, or force it into circulation while the demands of our creditors in Europe exceed the production of the precious metals from our rich mines.

The price of gold is fixed by the “higher” law of “demand and supply.” It is therefore clear to my mind that in order to reduce the premium on gold and assure “specie payments” two things are absolutely indispensable, to wit, first, to lessen the demand for gold coin; second, to secure a large supply of the precious metals. Our markets should be glutted with gold; and the question is, how can that condition be reached?

If gentlemen really want “a return to specie payments at the earliest practicable moment,” why do not they proceed to secure that condition in a philosophical and practical way? Pass two bills I have introduced (H. R. No. 2157 and H. R. No. 2531) and specie will become so redundant here within two years that it will be a drug in our markets.

The first bill provides for an increase of the currency by the issue of greenbacks in exchange for interest-bearing interconvertible United States bonds, and makes greenbacks a legal tender for all purposes, including duties on imports. This act would *prevent* financial panics, emancipate labor and promote the prosperity of the whole people. The other provides for an increase of the duties on imports, or taxation on foreign productions. Should this bill become a law it would turn the balance in foreign trade in our own favor, and draw the precious metals from Europe to enrich the people of the United States. The ocean steamers, instead of taking out \$2,000,000 in gold every week, would bring into our ports a much larger sum, for the balances in foreign trade regulate and control the movements of gold.

Pass these two bills, and I will give bonds with good security that in less than three years our gold coin will fall below the par of greenbacks in the open market.

I suggest this scheme for the consideration of the House. It will secure the object with certainty, and the people of the United States will not be injured in carrying the plan into operation.

It is urged by some gentlemen in this discussion that an increase of the currency would promote "speculation" and "overtrading." Now, sir, how has it been in the past? In 1865, when we had over \$2,000,000,000 of circulation, the people were in the habit of paying down in cash for nearly everything they bought. That was the practice of the country at that time, and the credit system was almost entirely wiped out; and I submit that when people pay in cash on the spot for what they buy *there is no speculation and no overtrading in the operation.*

It is asserted here, too, that an increase of the currency would inflate prices. Now, sir, I wish to call the attention of the House and the country to the fact that in 1868, when we had over \$800,000,000 of currency in circulation, the prices of eighty-five staple or leading commodities in general use were actually lower in the aggregate than the prices of the same commodities in September, 1873. Meanwhile our circulation was contracted over \$100,000,000. This fact is shown by the Report of the Bureau of Statistics, (see report on finances, page 520,) and I send to the reporters a tabular statement of prices, and ask that it be printed in the RECORD.

Comparative statement showing the prices of staple articles in the New York market at the beginning of September in the years 1868 and 1873.

Articles.	September, 1868.	September, 1873.
Breadstuffs:		
Wheat, northern.....per bushel..	\$2 30 to \$2 35	\$1 70 to \$1 75
western.....do.....	1 75 1 90	1 60 1 65
Rye, western.....do.....	1 40 1 60	95 97
Corn, western.....do.....	1 16 1 23	62 66
Oats.....do.....	81 83	44 46½
Barley.....do.....	2 00 2 25	1 30 1 45
Wheat-flour, superfine.....per barrel..	7 00 8 00	5 60 6 10
New York State.....do.....	8 00 9 00	6 85 7 15
western.....do.....	8 00 8 85	6 75 7 00
southern.....do.....	8 75 9 1½	9 00 10 25
Rye-flour.....do.....	7 00 9 75	5 20 5 65
Corn-meal.....do.....	5 75 6 75	3 00 3 40
Coal, anthracite.....per ton.....	6 50 7 50	4 75 5 45
Coffee, Rio.....per pound..	16½ 16½	22½ 22½
San Domingo.....do.....	14 14½	 16
Java.....do.....	21 23	24 25
Copper, American ingot.....do.....	33	 40
sheathing.....do.....	33 33	 38
Cotton, low middling.....do.....	27½ 28½	19½ 19½
middling.....do.....	29½ 30½	20½ 20½
Fish:		
Mackerel, No. 1 Bay.....per barrel..	16 00	16 00 17 00
No. 2 Bay.....do.....	13 00	13 00 14 00
Herring.....do.....	6 00 9 00	3 50 6 00
Dry cod.....per cwt.....	7 00 7 75	5 25 6 75
Flax, American.....per pound..	16 24	16 19
Glass, American window, 8 by 10 ft. per 50 ft..	4 75 6 25	8 25 10 75
French window, 8 by 10 ft.....do.....	6 25 8 50	8 25 10 75
Gunpower, rifle.....per 25 pounds..	3 50	 4 25
blasting powder.....do.....	4 00 4 00	 3 75
Hides, dry, Buenos Ayres.....per pound..	20 22½	26 27

Comparative statement showing the prices of staple articles, &c.—Cont'd.

Articles.	September, 1868.		September, 1873.	
Hides, dry, Rio Grande.....per pound..	\$0 20½	to \$0 21	\$0 26	to \$0 27
California.....do....	18	19½	24½	25
Hops, American.....do....	25	40	35	45
Indigo, Manila.....do....	70	95	70	87½
Iron:				
Pig, American, No. 1.....per ton..	40 00	42 00	42 00	45 00
Scotch, No. 1.....do....	43 00	45 00	43 00	51 00
Bar, common, English.....do....	90 00	.....	82 50	85 00
refined, English.....do....	80 00	.....	82 50	90 00
Swedish.....do....	155 00	155 00	175 00	.....
Rails, American.....do....	80 00	81 00	75 77	77 00
English.....do....	51 50	52 50	65 00	68 00
Lead, pig.....per 100 pounds..	6 35	6 87½	6 87	7 00
Leather, sole, oak.....per pound..	38	44	38	42
hemplock.....do....	29	30	26	27½
Liquors:				
Domestic whisky.....per gallon..	65	.....	1 10	.....
Molasses, muscovado.....do....	40	52	29	40
Cuba, clayed.....do....	36	40	23	35
New Orleans, fair to good.....do....	70	85	58	88
Nails, cut.....per 100 pounds..	5 25	5 25	4 50	4 75
Naval stores:				
Spirits turpentine.....per gallon..	43	43½	43½	44
Rosin, common.....per barrel..	2 75	2 75	3 15	3 25
Oil, olive, in casks.....per gallon..	2 35	2 40	1 15	1 25
linseed, in casks.....do....	1 06	1 08	91	92
sperm, crude.....do....	1 75	1 80	.....	1 50
Paints, American red lead.....per pound..	11	11	9	9½
white, in oil.....do....	14	14	.....	12
Petroleum, crude.....per gallon..	23	23	.....	5½
refined.....do....	30½	.....	.....	17
Provisions:				
Beef, mess, plain to extra.....per barrel..	4 00	8 00	4 00	7 00
Pork, mess, western.....do....	25 75	26 00	17 75	.....
Hams, pickled.....per pound..	16½	18½	13	14
Shoulders.....do....	13½	14	8½	8½
Lard, western.....do....	18½	19½	6½	8½
Butter, western.....do....	31	33	15	17
New York State.....do....	35	39	20	30
Cheese, western.....do....	14	16	8½	13½
Rice, Carolina, fair to prime.....per 100 pounds..	9 00	10 25	8 75	9 50
Salt, Liverpool, ground.....per sack..	1 78	1 80	1 40	2 30
Turk's Island.....per bushel..	48	48	32	35
Seeds, clover.....per pound..	14	15½	9½	9½
timothy.....per bushel..	3 00	3 25	3 75	3 90
Sugar, Cuba, refining.....per pound..	10½	10½	8½	8½
Havana, white.....do....	14	15	10	11
Tallow, American, fair to prime.....do....	12½	13½	8½	8½
Ten, Young Hyson.....do....	85	1 05	48	60
Oolong, superior to fine.....do....	95	1 20	35	65
Souchong.....do....	90	1 05	40	55
Tin, Banca.....do....	26½	.....	34½	35
Tobacco, Kentucky leaf.....do....	10	13	9	15
Havana, common.....do....	75	85	75	1 10
Wool, American, Saxony fleece.....do....	40	52	50	53
extra pulled.....do....	40	44	40	46
South American merino.....do....	30	34	27	33
Total.....	\$734 01		\$737 79	

Aggregate of prices in 1868 being \$3.78 less than the aggregate of 1873.

Mr. Speaker, I ask gentlemen to examine this statement with care, and I call attention to the fact that the aggregate of the eighty-five commodities in 1868 is \$3.78 less than the aggregate cost of the same commodities in 1873, when our currency was so contracted that there was not enough in the country to pay the internal-revenue and State, county, and municipal taxation of the United States for a single year. And the aggregate of the prices of the commodities enumerated in the foregoing statement in September, 1865, when the volume of the currency was \$2,111,678,680, was only \$13.85 more than the aggregate cost of the same commodities September 1, 1873, as will appear by the report of the Bureau of Statistics, (report on the finances, page 508.) Meanwhile the volume of the currency had been contracted over \$1,300,000,000.

Mr. Speaker, it thus appears plain that the quantity of our lawful money in circulation has no effect upon the prices of the domestic products exchanged by the inhabitants. I shall not use the word inflation, for it is not our desire to inflate the currency. We advocate an increase by taking in large bonds and putting out an equal amount of small bonds called greenbacks, and there is no inflation in this exchange. We simply take in a certain sum of the national credit in one form and put it out in another form; and we gain something in the operation in the reduction of the interest.

The gentleman from New York [Mr. Cox] had the disposition the other day, for pleasantry I suppose, to offer an amendment to the bill reported by the Committee on Banking and Currency, proposing to make every greenback dollar now in circulation three dollars. The contractionists and gold worshipers, failing in argument, now resort to sneers and threats of war; but those who stand up here and advocate an increase of our currency cannot be influenced or intimidated by threats of war, nor by attempts at burlesque or ridicule. I grant you that an act of Congress undertaking to make one dollar equivalent to three would be a wicked and shameful inflation of our currency; but when we propose to withdraw interest-bearing notes and issue instead non-interest-bearing notes for an equal amount, it cannot be called inflation.

Our contractionists amuse themselves by talking of what they call the Government paper-mill and printing-press. One gentleman sneeringly said it was proposed to grind out paper for the winds to blow over the country that the people may catch it and use it as money. Now, sir, these contractionists know, as every plowboy knows, that when the Secretary of the Treasury pays out greenbacks he pays them out for something, for material, for services, for public works, and for value received; therefore this paper-mill talk is meaningless and foolish.

Mr. Speaker, we have heard a great deal said here about "a coin basis." A great many gentlemen here from New England are clamorous for what they call "a coin basis" for our currency. You know, Mr. Speaker, that we have never had such a thing in the country as coin payments or coin currency. Prior to the issue of greenbacks, whenever the demands of foreigners called for a little coin, say \$7,000,000, or \$10,000,000, or \$20,000,000, the fiction and swindle called specie payments was made apparent, and at such periods revulsion and general disaster and bankruptcy was the inevitable and invariable consequence of what is now called "a sound basis." The eyes of our people, through sad experience, have been opened to the swindling mockery and snare called specie basis, or one gold dollar kept in the bank-vaults to redeem five dollars in bank-notes on demand. What is

termed a gold basis or coin payments is a scheme or device enabling bankers and money-changers upon each one dollar of their gold to issue three dollars, four dollars, five dollars, or ten dollars in their paper currency—their own credit.

Now, of course the banks cannot pay in coin the whole amount of their issue of notes, and therefore whenever general demands are made, only one in three or four or ten according to the ratio of coin to circulation could get anything, other holders get nothing; nevertheless, while the confidence of the community continues to keep the bank-notes in circulation, and no demand is made for coin from our creditors in Europe, there is no trouble, and the *confidence arrangement* runs smoothly enough and attracts very little attention. But the moment a great failure happens, large enough to create a shock to private credits, like that of the Ohio Life and Trust Company in 1857, or Jay Cooke & Co. in September, 1873, or whenever a large amount of coin is required to pay debts in Europe, the banks break with a great crash, panic ensues, carrying all before it into bankruptcy and wide-spread ruin.

Here is the lesson of our experience with the common but dreadful delusion and *so-called "specie basis" or specie payments*. We have tried it and have as often been humbugged and ruined by it; and the system still exists in England, resulting, as you know, in at least one great financial panic every ten years. And yet gentlemen spend hours here in praising and extolling a system which, to say the least of it, is defective, and often out of joint. They "long for it," and grave statesmen stand up here and say we should "*prepare our house for the dreadful event*." Always insisting that we should "*look to it*" and "*fix the time for it*" they talk incessantly of the necessity of preparing for a hard-money basis for our currency, *but they never tell us why*.

Is it not singular, Mr. Speaker, that during this long debate no gentleman has told us *why* he wants a coin basis for our currency? *It is always assumed, but none tell us why*.

Now, in providing money for the people, my opinion is that if this Government *must abandon the use of its own credit* and hire bankers to issue money for the people, I do not want a gold basis of one dollar for three dollars of bank-notes. I prefer a Government bond, dollar for dollar. Government bonds to cover the whole issue are a better basis, in my judgment, than any coin swindle that has ever been devised in any country. Some people have an idea that, as we have now suffered for five or six months, it would be desirable to suffer a few months longer and come down to what they call "*hard-pan*." They wish to "*touch bottom*," and then realize the fiction of specie payments.

But, sir, suppose Congress should order specie payments next month or next year. The Treasury might start the business, but it would not last ten days. Our creditors in Europe would soon glean from us the coin we possess, and that would end the farce of attempting what we have not the means to carry out. It would only put a little more money into the pockets of the merchants and capitalists of Europe who have claims against our merchants and hold our State, municipal, and railway bonds, the principal and interest of which are now payable here in lawful money. They would then collect gold instead of greenbacks, and therefore specie payments would give great satisfaction to all our creditors in Europe.

Now, Mr. Speaker, why should we waste time in making useless and visionary plans about resumption at the present time? The Government—the sovereign power—provides money for the people, and Con-

gress determines what shall be legal tender and lawful money to pay debts within the country. It is not the business of Congress to undertake to create money for the people of other nations, and our money is not made for the convenience and use of the inhabitants of other countries. I have, even in Cuba, offered our gold coin in payment for breakfast at a country inn, and been insulted and treated as a swindler for so doing. I had to exchange my American gold for Spanish coin before I could continue my travels in the West Indies.

Now, money is for domestic uses, and more than a thousand dollars are employed in domestic exchanges and settlements where a single dollar is required for foreign trade. Why should we overestimate foreign trade? Why should we inconvenience ourselves and make paupers of the American people for a fanciful idea or to please Englishmen and others across the Atlantic? I think we shall have performed our duty when we provide a uniform, stable, and elastic legal tender, lawful money, for the people of the United States. Our greenbacks are the *people's money*, and the best money we ever had.

They call it irredeemable, but did you ever hear, Mr. Speaker, of lawful money being redeemed? It is nonsense to talk of money being redeemed. It is well enough to talk of the redemption of national-bank notes or bank rags; but the redemption of our legal-tender lawful money of the United States is not required, and the people will not acquiesce in the attempt now being made by bullionists and bondholders to extinguish our greenback money. The greenbacks are our lawful money, and they pay the debts and mortgages of our people and settle all exchanges here at home. A *full* legal tender does not require any redemption, because there is nothing superior to it.

Why do not our redemptionists and contractionists insist upon the redemption of our gold eagles and our alloyed silver and nickel coins? Our coins contain more alloy than the coins of Great Britain; and you know, sir, that the actual value of metallic coins in other countries depends wholly on the quantity of alloy with which each nation debases its coinage. I have prepared two statements, which I will submit; the first, showing the changes which have been made by Congress in the weight and fineness of American coins since the establishment of the Mint in 1786; the other, exhibiting the weight, fineness, and value of foreign gold coins. I think this statement will convince any unprejudiced mind that there is no such thing in fact as "the money of the world," as there is no uniformity in the quality or fineness of gold coins; but these conditions depend wholly on the caprice of each nation and subject to the changes of the sovereign or national will. There are other difficulties to be overcome before any "uniformity" can be obtained in the "money of the world" in the diverse moneys of account established by the laws of each nation. In the United States the dollar is the unit of Federal money. (Act of Congress July 6, 1785.) Great Britain adheres to the pound sterling, and the states of the Latin monetary union (France, Belgium, Switzerland, and Italy) to the franc. Germany has provided for a new money of account with the mark as the unit, being of the value of 23.82 cents, while Denmark, Sweden, and Norway have established a new money of account with the crown as the unit, and represented by fine gold of the value of 26.798 cents in United States money. There can be, therefore, no harmony or "uniformity" unless all nations adopt one unit or an international money of account with a uniform standard of fineness or quality of metal, and that event does not appear at all probable. The fineness and alloy in this table are expressed in thousandths parts, *i. e.*, so many parts of pure gold in one-thousandth parts of the coin.

Statement showing weight, also pure gold or silver and alloy in each 1,000 parts, United States coins.

Denomination.	Value.	Act of April 2, 1792.		Act of July 25, 1834.		Act of January, 1837.		Act of March 3, 1849.		Act of March 3, 1851.		Act of March 3, 1853.		Coinage act, 1873—February 12, 1873.	
		Weight.	Fine-ness.	Weight.	Fine-ness.	Weight.	Fine-ness.	Weight.	Fine-ness.	Weight.	Fine-ness.	Weight.	Fine-ness.	Weight.	Fine-ness.
GOLD.															
Double-eagle.....	\$20 00	Grains.		Grains.		Grains.		Grains.	900	Grains.		Grains.		516	900
Eagle.....	10 00	270	916½	899, 225		258	900	258	900					258	900
Half-eagle.....	5 00	135	916½	899, 225		129	900	129	900					129	900
Quarter-eagle.....	2 50	67.5	916½	899, 225		64.5	900	64.5	900					64.5	900
Three-dollar.....	3 00													77.4	900
Dollar.....	1 00							25.8	900			77.4	900	25.8	900
SILVER.															
Dollar.....	1 00	416	892.4			412.5	900							420	900
Half-dollar.....	50	208	892.4			206½	900					192	900	124 grains, or 192.9 grains.	900
Quarter-dollar.....	25	104	892.4			103½	900					96	900	61 grains, or 96.45 grains.	900
Dime.....	10	41.6	892.4			41½	900					38.4	900	2.5 grains, or 38.36 grains.	900
Half-dime.....	5	20.8	892.4			20½	900					19.2	900		
Three-cent.....	3											11.52	900		

* Three-fourths silver, one-fourth copper.

MINOR COINS.

Copper cents, authorized by act of April 2, 1792.

Copper half-cent, authorized by same act; discontinued under act of February 24, 1837.

Nickel cent, authorized by act of February 21, 1857; weight, 72 grains; composed of 88 per cent. copper, 12 per cent. nickel.

Bronze two-cent, authorized by act of April 22, 1864; weight, 96 grains; composed of 95 per cent. copper, 5 per cent. tin and zinc.

Bronze three-cent, authorized by act of April 22, 1864; weight, 48 grains; composed of 95 per cent. copper, 5 per cent. tin and zinc.

Nickel three-cent, authorized by act of March 3, 1865; weight, 30 grains; composed of 75 per cent. copper, 25 per cent. nickel.

Nickel five-cent, authorized by act of May 16, 1866; weight, 77.16 grains; composed of 75 per cent. copper, 25 per cent. nickel.

Debasement or alloy in each 1,000 parts of gold coin.

Country.	Denomination.	Weight.	Parts fine, or pure g. d.	Parts alloy.	Value, United States gold coin.
Austria	Fourfold ducat.	Ounces.	Thousandths.	Thousandths.	Dolla. etc. mills.
Do.	Souverain, (no longer coined).	0.418	986	014	9 13 2
Do.	4 florins, (new)	0.363	900	100	6 75 4
Belgium	25 francs	0.104	900	100	1 93 5
Brazil	20 milreis	0.254	899	101	4 72 0
Central America.	2 escudos	0.575	916.5	083.95	10 80 4
Do.	4 reales	0.269	853.5	146.95	3 63 8
Chili	10 pesos, (dollars)	0.027	875	125	0 42 8
Columbia and South America generally.	Old doubloon.	0.492	894	102	9 13 6
Denmark.	Old 10 thaler.	0.427	870	170	15 50 3
Do.	New 20 crowns, (krona)	0.288	895	105	7 90 0
Egypt	Bedidlik, (100 piasters)	0.375	900	100	5 35 8
England	Pound or sovereign, (new)	0.375	916.5	083.95	4 97 4
Do.	Pound, average, (worn)	0.250, 3	916.5	083.95	4 80 5
France	50 francs, (no new issues)	0.207	899	101	4 85 6
Germany	Old 10 thaler, (Prussian)	0.427	903	097	3 84 7
Do.	New 20 marks.	0.256	900	100	7 97 1
Greece	50 drachmas	0.185	900	100	4 76 2
India, (British)	Mohur, or 15 rupees.	0.375	916.5	083.95	3 44 2
Italy	50 lire, (francs)	0.207	899	101	7 10 5
Japan	Cobang	0.289	572	428	3 84 7
Do.	New 20 yen	1.072	900	100	3 37 0
Mexico	Old doubloon, (average)	0.867	870	130	19 94 4
Do.	20 pesos, (empire)	1.046	870	130	15 59 3
Netherlands	10 guilders	1.041	873	127	19 64 3
New Granada	10 pesos, (republic), new	0.215	899	101	19 51 5
Peru	10 pesos, (dollars)	0.525	891.5	108.95	3 99 7
Portugal	20 soles	1.055	898	102	9 67 5
Russia	Corona, (crown)	0.308	912	088	10 31 3
Spain	5 roubles.	0.210	916	084	5 80 7
Do.	100 reales	0.268	896	104	3 97 6
Do.	80 reales	0.215	899.5	130.95	4 96 4
Sweden	10 escudos	0.970, 8	896	104	3 86 4
Do.	Ducat	0.111	975	025	5 01 5
Tunisia	Carolus, (10 francs)	0.104	909	100	2 23 7
Turkey	New 20 crowns, (krona)	0.288	900	100	1 93 5
Do.	25 piasters	0.161	900	100	5 35 8
Do.	100 piasters	0.231	915	085	2 99 5
Do.	100 piasters	0.231	915	085	4 37 0

Mr. FIELD. Mr. Speaker, I invite the attention of gentlemen who clamor for gold coin, or what they call the *uniform* and "recognized money of the world," to the "uniform" fashion of kings and princes to inject alloy into their gold coins—as exhibited in this statement—in utter disregard of the convenience of "the rest of mankind," and making the gentlemen's notions about the "*uniform* money of the world" inexplicable uniformity of confusion and nonsense.

If the gentlemen who indulge in fanciful talk here about "cosmopolitan money" will study this table a little, they will discover that metallic money the world over is as variable and changeable in quality as the caprices of men. I think they will see too that in traveling around the earth with the "money of the world," it will be necessary not only to carry a pair of scales to weigh the coins of each country through which we pass, but also the *statutes* of every country, in order to ascertain the amount of alloy in the various coins of each. I ask the gentleman from Connecticut to "reflect on these things," and as he steps out of one country into another let him stop to calculate the alloy in his "money of the world." And to aid him in the task I offer willingly this *alloy* table, and hope he may put it in his pipe and smoke it.

Mr. Speaker, some gentlemen think we may be inflated with an excessive volume of currency. Now on this point my opinion is that should Congress offer the people at par a bond bearing 3.65 per cent. interest, the same to be interchangeable with greenbacks on demand, I think we could not get too much money into circulation; for any excessive or unemployed money would pass into the Treasury in exchange for the convertible bonds, and should more money be required at any time for the convenient transaction of business it would flow out of the Treasury in exchange for the convertible bonds. It would assure fluidity or elasticity to the currency, and absolutely prevent financial panics within the United States. It is idle to figure up the quantity of money required by the people, because a larger amount is required at one season than at another.

By the act of February 25, 1862, Congress provided that greenbacks should be convertible to Government interest-bearing bonds at par. This was the condition on which the legal-tender act was passed, and was a part of the bargain with the people; but on March 3, 1863, this provision of the act was repealed. It was done at the request of the Treasury Department, but the bill sent up for the purpose was in the handwriting of Jay Cooke. Mr. Cooke had been hired by the Secretary of the Treasury to convert greenbacks into 6 per cent. bonds. Under the convertible clause of the act of February 25, 1862, the people would have done the business without the employment of a middleman, and consequently the service of Jay Cooke would have been wholly unnecessary; for as soon as greenbacks and other circulating notes became redundant and unemployed the people would have effected the conversion to interest-bearing bonds without the intervention of an expensive agent.

Having broken faith with the people in repealing the clause authorizing the conversion of greenbacks to Government bonds at par, now let Congress act justly by the people and at least authorize the conversion of greenbacks to a bond-bearing 3.65 per cent. interest, and should the people want the greenbacks again let the bonds be redeemed with greenbacks on demand. I have received a valuable contribution from a friend, and as it bears forcibly on this point as well as on the whole financial question, I will send it to the reporters to be printed with my remarks.

MUNCY, PENNSYLVANIA, March 30, 1874.

DEAR SIR:

In one word, I may say that your bill (H. R. No. 2157) meets my entire approbation, and I am delighted to know that there is one at least on the floor of the House who has a *plan* to meet the difficulties, and the courage to stand up in opposition to a moneyed monopoly and a monstrous tyranny, which the business men and wealth-producers of the country, *irrespective of party*, are determined shall be crushed out of existence.

The democrats and republicans in Congress who are aiding to uphold this moneyed tyranny, under the miserable pretext of a desire to "resume specie payments" avoid "inflation," and rid us of an "irredeemable currency," without taking any other steps than a contraction of the currency to accomplish their professed purposes, will find themselves mistaken if they count on the support of the people. I would not support one of them, either democrat or republican, to save their lives.

The moment your proposition to make United States Treasury notes a *full* legal tender is adopted, they will be equal to coin and force it into general circulation, which will give us the only specie resumption *necessary or possible*. No sane man can possibly contend that one *full* legal-tender money needs redemption in another legal tender; consequently the objection to the United States note as an irredeemable or depreciated money is entirely obviated.

If inflation means increased values produced by *depreciation*, the adoption of your proposition destroys that. If inflation means a surplus of money or more than can be used in the legitimate business of the country, your convertible-bond proposition not only meets that objection, but enables the people to regulate the *volume* of currency for themselves far better than Congress or capitalists can do it. A surplus of *par* paper currency will no more produce inflation than coin.

Our business men's association hold that Congress must make United States money a *full* legal tender, as it must regulate the *value* of its issue of money. This prevents any *fluctuation* in the *value*.

We also hold that Congress cannot place any other limit on the *people's money* than the indebtedness of the Government *overdue*.

We also maintain that Congress has no lawful power to suspend payment on any Government loan, which by the plain letter of the contract is made payable in United States notes, *the same as coin, at their par value*, (dishonored and thereby depreciated by the act containing the terms of that contract.)

We do not believe that the honor of Congress or the country can be elevated by altering a contract after it is made, to benefit either money-lenders or the people; and therefore the act of March 18, 1869, should be repealed, as it perpetuates a debt payable in United States notes, compelling us to pay millions of useless taxation annually.

We are uncompromisingly opposed to banks of *issue*. First, because the *people's money* is safer than that of any individual, and the people are entitled to the *benefit* of the *circulation*; nor does it require redemption. Second, individual issues cannot be made a *full* legal tender, and therefore require redemption in a *full* legal-tender money. Third, because money not based on real estate as security, a first lien or mortgage on it, and backed by the revenues of a government, has no real value, or means of being retired. Fourth, because the prerogative to make money and regulate its value has been *delegated* to Congress; and this prerogative Congress cannot delegate to another. We are in favor of the sixth and seventh sections of your bill on the currency, because the act of 1869 is a gross fraud on the people, dishonorable to the country, simply intended to perpetuate our public debt and the national-bank *issue*, and the act of July 14, 1870, is useless.

There is no use in our trying to conceal from ourselves the fact that we are in the midst of a terrible conflict between the people and "great capitalists," who are enlisting newspapers and their correspondents in their service, and who have threatened to fight us "inch by inch" in the United States Senate, in order to defeat the friends of an expansion of the people's money, and permanently establish a moneyed tyranny over us. They fear expansion lest they may lose control over the currency. Pay off the five-twenty bonds in *par* United States notes, and it will no more than place business on a *cash basis*, and make business men independent of money-lenders and note shavers, as they should be, and are determined to be; therefore their "inch-by-inch" fight, but the final result of this contest, cannot and will not be a doubtful one. We stand as seven to three. The contractionists and all who attempt to humbug us with a promise of resumption of specie payments in two or three years, hold their last offices. We do not want any other resumption than that of specie circulation on a *par* with a *full* legal-tender United States note, and *that we want now*.

They tell us that United States notes were only intended as a temporary arrangement, and that national-bank notes were intended to be a permanent swindle on us; and that to clinch us they passed the act of 1869 and the act of July 14, 1870. And Mr. MAYNARD says that we so pledged ourselves in 1868. This is an error. The

republicans on May 20, 1868, pledged themselves to pay the public debt according to the letter and spirit of the laws under which it was contracted.

The democrats, July 4, 1868, pledged themselves to make United States notes par and pay the five-twenty and ten-forty bonds in those notes, and the bonds of 1881 in coin.

Yours respectfully,

WILLIAM BRINDLE.

Hon. MOSES W. FIELD,

House of Representatives, Washington.

Mr. Speaker, I shall vote, if I have an opportunity, for the bill I have introduced, (H. R. No. 2157.) I am willing, however, to vote for the bill introduced by my friend from Pennsylvania, [Mr. KELLEY;] but should that fail, I shall gladly vote for the bill introduced by the gentleman from Kentucky, [Mr. BECK.]

All these bills provide for the issue of a convertible bond, bearing interest at 3.65 per cent., in exchange for greenbacks at par; the convertible bonds to be redeemed in greenbacks at any time on demand, and all the greenbacks received in exchange for the inter-convertible bonds to be used by the Secretary of the Treasury in paying the 6 per cent. gold interest-bearing bonds of the Government called five-twenties.

My colleague, [Mr. WALDRON,] in a recent speech, doubts the right of Congress to issue United States Treasury notes for currency; but advances the opinion that it may authorize individuals or corporations to make a currency, and calls United States notes (greenbacks) irredeemable currency, and thinks greenbacks an obstacle in the way of a resumption of specie payments. I cannot conceive of a greater fallacy than that the quantity of greenbacks in circulation is either a hindrance to resumption or a cause of the premium on gold. Any person at all acquainted with business affairs knows that when the amount of our circulation has been largely reduced the price of gold has advanced.

The Secretary of the Treasury (Mr. Fessenden) in his annual report, December, 1864, says:

The experience of the past few months cannot have failed to convince the most careless observer that, whatever may be the effect of a redundant circulation upon the price of coin, *other causes* have exercised a greater and more deleterious influence. In the course of a few days the price of this article rose from \$1.50 to \$2.35, and subsequently fell, in as short a period, to \$1.87, and then again rose as rapidly to \$2.50; and all without any assignable cause, traceable to an increase or decrease in the circulation of paper money, or an expansion or contraction of credit.

Mr. Speaker, the gentleman argues that the Government should not undertake to issue Treasury notes for currency, but declares himself in favor of a currency to be issued by bankers.

The idea that Congress cannot make money, but may confer such power on individuals, is a great tax on one's patience and charity. Calling greenbacks an irredeemable and worthless currency while commending national-bank issues is presuming too much on the stupidity of the people.

The Director of the Mint estimates the gold coin in the United States at \$135,000,000, and of this amount \$87,000,000 is in the Treasury; and in his annual report the Director says, "the mines of the world produce annually about \$100,000,000 of gold," and that "of this product about \$25,000,000 is consumed annually in the arts, leaving only about \$75,000,000 for the uses of currency for the inhabitants of the whole earth;" and the Director advances the opinion that "countries, however wealthy and prosperous, cannot even, with the aid of bills of exchange, maintain an exclusively metallic currency," and that "the use of paper money as an auxiliary to coin is more likely to increase than

diminish in the future." No one of any party pretends that we can obtain sufficient coin, and all admit that we must supplement it with paper. This being a fact, how can any man who wishes to deal fairly with the people prefer for the purpose an individual or private issue to the people's money? The Government debt now *overdue* and payable in the legal-tender United States notes furnishes a good opportunity to provide the money the country requires. Unless the currency is very largely increased—so largely as to make it seek investment in the proposed three sixty-five convertible bonds—we will have, in my opinion, such a crash and wild panic as this country never saw; and it is close at hand.

Now, Mr. Speaker, in conclusion, what is the situation? Congress has since February 25, 1862, emitted bills of credit—greenbacks. They have performed the function of an "instrument of exchange" most admirably, and I cannot see why gentlemen are so anxious to get rid of them. The *credit of the nation* possesses intrinsic value as well as any metal, and it represents labor as well as gold because it is issued in exchange for labor. *Something* must be employed for a circulating medium, and why not use the *national credit* for the purpose? Gold is out of the question, for we have not got it. Greenbacks have worked well, and they are exceedingly popular. I prefer these Government bills to bank bills, public credit to private credit.

Monetary reform is the great need of the country to-day, and nothing short of the principle of interconversion of greenbacks and interest-bearing Government bonds at the option of the people will satisfy the demands of the producing classes. This reform will emancipate labor, promote the prosperity of the people, and *prevent* the possibility of financial panics within the United States.